

— Renewal Information —

1. SAVE TIME -- RENEW ONLINE!

The renewal form you received contains detailed information about DOPL's new online renewal system. The greatest advantage is the time you'll save using the online system. Once you have completed the online process, you will be able to immediately print out a confirmation of online renewal which is as valid as a license certificate.

Therefore, the Division strongly encourages you to use the online system. If you wish to renew your license online, but didn't get a renewal ID number, please call (801) 530-6628 or (866) 275-3675 -- toll-free in Utah only.

Note of Caution: Do not wait until July 31 to renew! As with most computer systems, waiting until the last day to renew online will take significantly more time if too many of Utah's 19,000 contractors try to renew on the same day, thereby overloading the online system. To avoid the rush, please renew early!

Also, please understand that if your license expires and you later choose to reinstate it, you will be required to submit additional financial information and pay additional fees.

If your license expired in 2001, you must contact the Division to determine your renewal/reinstatement fees.

2. IF YOU CHOOSE TO RENEW BY MAIL ...

A. You must sign both certifications on the renewal coupon. Failure to do so will delay issuance of your renewed license. If you cannot sign the certifications, you must provide adequate documentation, as instructed on the form, explaining why you cannot sign. Please follow all instructions carefully!

B. To avoid delays, please mail in ALL renewal documents and fees:

- signed renewal coupon
- signed check or money order made payable to "DOPL"
- completed "2003/04 Contractor License Renew/Reinstate Questionnaire"

If you or someone you know did not receive a renewal notice and you are not using the online renewal system, you can obtain a generic renewal form at www.dopl.utah.gov/licensing/contractor. Select the blue "Applications" bullet. The renewal forms are listed at the top. Mail all generic forms with the fees to DOPL at the address on the form.

3. CRITICAL REMINDERS

"Borrowing" or "Lending" One's License: Both activities are class A misdemeanors for each party involved. Even if companies are owned by the same person they may not use one another's contractor license.

Name Used with a Contractor License: If you use a name -- other than the name on your birth certificate -- in your contracting activities, it must be registered with DOPL and with the Utah Division of Corporations as a DBA (doing business as). If it is not registered with both, it is illegal to use. DBA registrations must be renewed every 3 years.

Expired Corporation Registration: Except for a DBA, any expiration of a corporate registration (filed through the Utah Division of Corporations) automatically expires the contractor license of that entity -- no matter what the expiration date is on the contractor license. You must keep all corporate registrations current.

Liability Insurance: ALL active licenses -- whether the license holder is contracting or not -- must maintain the minimum amount of general liability insurance (\$100,000 per occurrence/ \$300,000 aggregate).

— LRF Special Assessment —

In 1994, the Utah Legislature passed the Utah Residence Lien Restriction and Lien Recovery Fund Act. It provides Utah homeowners with limited protection from mechanics' liens arising as a result of construction on their residences. The Act also created a fund to provide payment for unpaid contractors, suppliers, and laborers who are unable to collect on a lien because of the homeowner protection.

For more information, go to www.dopl.utah.gov/programs and select "Residence Lien Recovery Fund."

TOTALS SINCE THE PROGRAM'S INCEPTION (as of 03-31-2003)

Claims Filed	1,465	Claimant Statistics	Claims Paid	Amount Paid
Amount of Claims Filed	\$7,979,237.96	Suppliers	512	\$2,923,439.00
Claims Paid	886	Contractors	368	\$1,573,544.74
Amount of Claims Paid	\$4,506,129.97	Laborers	6	\$ 9,146.23
Claims Denied	292			
Claims Dismissed	141			
Claims in Prolonged Status	56			
Claims Pending Prosecutor Review	2	Fund Balance		
Claims Pending LRF Board Review	28	As of 12/31/2002	\$1,189,468.77	
Claims Pending Claimant Response	14			
Claims Pending Division Review	48	As of 03/13/2003	\$1,131,956.94	

Utah Code Ann. § 38-11-206(1)(a) requires: "If on December 31 of any year the balance in the [Lien Recovery] fund is less than \$1,500,000, the Division shall make a special assessment against all qualified beneficiaries in an amount that will restore the unencumbered fund balance to not less than \$2,000,000 or more than \$2,500,000."

On December 31, 2002, the Fund's balance was just under \$1.2 million. Therefore, the Division is required by law to issue a special assessment. As part of the February 12, 2003, Residence Lien Recovery Fund Advisory Board Meeting, a public comment meeting was held regarding the proposed amount to be charged in the upcoming special assessment. Based upon the comments made, adjustments were made to the proposed amounts, resulting in the amount of \$125.00, which is included in the total fees shown on your renewal coupon.

Also, for your information, the Division is currently working with several industry groups and legislators to determine an alternate means of funding the Lien Recovery Fund. If you are interested in becoming involved with this process, please contact your state senator or representative. (Go to <http://le.utah.gov/Documents/find.htm> for a list of state legislators.)

The Division recognizes that this special assessment may come as a surprise to many licensees and is likely to be a cause for concern to many, resulting in many questions and/or comments.

However, since our staff and phone system cannot accommodate a large call volume, you must submit any questions or concerns regarding the special assessment in writing.

Send your written comments by mail:

DOPL-LRF
PO BOX 146741
SALT LAKE CITY UT 84114-6741

by email: www.utah.dopl.gov/contact

by fax: 801-530-6511